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WHAT OHIO FARMERS THINK OF FARMER-OWNED BUSINESS ORGANIZATIONS IN THAT STATE

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PURPOSE, METHOD, AND SCOPE OF THIS REPORT

Farmer-owned business organizations to market farm products, to purchase farm supplies, and to render other economic services, occupy an important place in the commercial relationships of Ohio farmers. The significance of many of these organizations is seen in the 1930 census data. Farm products having a market value of $26,102,664, or an average of $119 for every farm in this State, were sold to or through farmers' cooperative associations. Cooperative purchases by farmers totaled $6,167,597, or $28 per farm.

When it was decided to make a study of membership relations and farmer attitudes toward the Ohio Farm Bureau Federation, it seemed advisable to bring into the picture the farmer-owned business organizations that were operating in the areas selected for this study.[2] Thus, in addition to answering many questions about the farm bureau, each of the interviewed farmers was asked to reply to a few questions concerning any farmer-owned business organizations to which he belonged or which he had patronized at any time since 1920. Many of the farmers reported for two or more of these organizations; others had had no such contacts either as members or as nonmembers. Mutual insurance companies operating on the assessment plan were not included in this survey.

The purpose of this report is to present a summary of the farmers' replies concerning their experiences with and opinions of the work of the farmer-owned business organizations together with a brief interpretation of the significance of these replies.

A word of caution is necessary in interpreting the results. The areas to be surveyed were selected upon the following basis: To-

[1] R. C. Smith, Assistant Professor of Rural Economics, Ohio State University, assisted in the preliminary planning, the field work, the analysis of data, and the editing of this report.

[2] MANNY, T. B., and SMITH, R. C., THE OHIO FARM BUREAU FEDERATION FROM THE FARMERS' VIEWPOINT. A PRELIMINARY REPORT. U. S. Dept. Agr., Bur. Agr. Econ., 115 p., April, 1931. [Mimeographed report.]

pography and type of farming; present and former strength of the farm bureau; relative volume of business done through farm bureau commercial services; extent to which the county had strongly organized local township or community farm bureaus or the absence of such organized local units; and presence or absence of cooperative marketing or purchasing associations and areas in which such ventures have failed since 1920.

Using the above basis, the 14 counties chosen, in each of which three townships or combinations of townships were surveyed, are distributed throughout the State. These counties are as follows: Adams, Allen, Ashtabula, Athens, Auglaize, Butler, Fayette, Franklin, Henry, Mahoning, Miami, Muskingum, Richland, and Tuscarawas. For some of the farmer-owned business organizations that were operating over considerable areas, only a comparatively small sample was obtained in the one or two counties in which members of these organizations were found. This limitation applies chiefly to one of the milk-marketing associations, the terminal livestock selling agency, and the poultry and egg marketing association. For the others, the sample is on a somewhat broader basis. Within each local area concerned the material is believed to be a representative sample for the types of business activity encountered.

The terms "member," "ex-member," and "nonmember patron" as used in all tables except Tables 1 and 2 required some explanation. All refer to membership-relation status at time of interview. Members are those who at time of interview were either present members of nonstock associations or stockholders of farmer-owned corporations that issue shares of stock. For cooperative purchasing under both farm bureau and grange auspices, members are persons who belonged to the respective general farmers' organizations and who had used these merchandising services. Memberships in several of the local livestock-marketing associations were also determined upon the basis of farm-bureau memberships, for membership in this general farmers' organization had been, and in some cases was still, a requisite for membership in the local livestock-marketing group.[3] Nonmember patrons are interviewed farmers who had used the services of these farmer-owned business organizations in the period covered by the survey without becoming members (or stockholders). Patronage by nonmembers was not permitted by a few of the organizations.

Some of the organizations reported were not strictly "cooperatives" as defined by Federal statutes, but all were predominantly farmer-owned and farmer controlled. Locally, in the eyes of the farmers, they are accepted as cooperatives. To avoid possible confusion of terms in this study all are called farmer-owned business organizations.

Most of the data were secured through personal interviews, which, including questions on the farm bureau, lasted from 30 minutes to 2 hours with an average of about an hour. The enumerators made every effort to record each farmer's replies accurately and concisely. Special precautions were taken to avoid biasing or suggesting replies by the way in which the questions were given to the farmers.

Replies of farmers to most of the questions concerning the farmer-owned business organizations with which they had had some experience, represent their individual opinions. As such they may be cor-

[3] See footnotes in Table 12 for more complete lists of the types of the organizations in which such membership relations existed.

rect or incorrect. The farmers appeared to be sincere in giving their opinions and each seemed to accept his own statements as facts. Little attempt is made here to evaluate the rightness or wrongness of these opinions. They are presented as evidences of farmer thinking that are at least in part responsible for some of the membership problems of the organizations concerned since most of the interviewed farmers seemed to act in line with the opinions that they voiced.

Of the 1,372 farmers interviewed, 1,009 answered questions about one or more farmer-owned business organizations with which they had had dealings either as members or nonmember patrons since 1920. A total of 2,184 of these reports was recorded, or an average of a little more than two for each of those farmers who reported any dealings with such organizations.

WHAT FARMERS BELONG TO THE FARMER-OWNED BUSINESS ORGANIZATIONS

Table 1 shows how many of the 1,372 farmers were members of one or more farmer-owned business organizations at the time of the survey. A number of the 737 men listed as members had formerly held memberships in additional business organizations, and the same is true of some listed in the table as nonmembers. There are some well-marked contrasts in this grouping of farmers.

TABLE 1.—*Number and percentage of interviewed farmers in relation to farmer-owned business organizations, classified by tenure, size of farm, schooling, membership in farm bureau, social clubs, and church societies*

Classification	Related to farmer-owned business organizations as—				Total [1]
	Member of one or more		Nonmember		
	Number	*Per cent*	*Number*	*Per cent*	*Number*
Tenure:					
Owner	550	55.3	444	44.7	994
Tenant	187	49.5	191	50.5	378
Total or average	737	53.7	635	46.3	1,372
Size of farm:					
0- 49 acres	34	29.8	80	70.2	114
50- 99 acres	204	45.9	240	54.1	444
100-199 acres	363	59.5	247	40.5	610
200-399 acres	121	68.8	55	31.2	176
400 acres or more	15	53.6	13	46.4	28
Total or average	737	53.7	635	46.3	1,372
Schooling:					
3 years or less	14	38.9	22	61.1	36
4 to 7 years	100	37.5	167	62.5	267
Completed common school	490	54.8	404	45.2	894
Completed high school	90	73.8	32	26.2	122
2 years college or more	43	81.1	10	18.9	53
Total or average	737	53.7	635	46.3	1,372
Membership relation toward the farm bureau:					
Member	424	96.6	15	3.4	439
Ex-member	190	49.0	198	51.0	388
Nonmember	123	22.6	422	77.4	545
Total or average	737	53.7	635	46.3	1,372
Social club membership: [2]					
Member of one or more	372	66.0	192	34.0	564
Does not belong to any	365	45.2	443	54.8	808
Total or average	737	53.7	635	46.3	1,372
Church society membership:					
Member	553	63.1	323	36.9	876
Nonmember	184	37.1	312	62.9	496
Total or average	737	53.7	635	46.3	1,372

[1] Each figure in this column is considered as 100 per cent in computing the percentages in the other columns.

[2] Includes memberships in granges, lodges, parent-teacher associations, and any other social and civic clubs.

As far as farm bureau memberships are concerned, a considerable part of the difference comes from the membership tie-up and other forms of cooperation between the farm bureau and many of the farmer-owned business organizations. On the other hand, evidence presented in the farm-bureau report shows that members of this organization were distinctly more cooperative-minded than were their nonmember neighbors.[4] Farmers having more schooling were decidedly more likely to be members of farmer-owned business organizations; a reverse trend is equally marked for those with limited schooling, if the data in this table are characteristic of farmers generally.

Membership in social clubs and church societies seemed to be somewhat more characteristic of members than of nonmembers of the business organizations.

Of the various classifications presented, tenure showed the least conclusive relationship to membership.

Corresponding comparisons for farm-bureau memberships indicate similar trends. Thus the farmer-owned business organizations and the farm bureau appeal to about the same classes of farmers. The close tie-up between the farm bureau and some of these business organizations may account for part of this similarity of appeal.

In addition to the farmers' answers to questions, certain data were furnished by the enumerators;[5] and for 7 of the 14 counties studied data were supplied by local people including farmers and business men. (Table 2.)

TABLE 2.—*Number and percentage of interviewed farmers in relation to farmer-owned business organizations, classified according to their suitability for membership, their attitude toward cooperative marketing and purchasing, and their ability as farm operators*

Classification	Related to farmer-owned business organizations as—				Total [a]
	Member of one or more		Nonmember		
	Number	*Per cent*	*Number*	*Per cent*	*Number*
ESTIMATES BY ENUMERATORS OF SUITABILITY FOR MEMBERSHIP					
Unsuited for membership	39	21.7	141	78.3	180
Poor membership material	127	33.7	250	66.3	377
Fair membership material	212	51.6	199	48.4	411
Excellent membership material	359	88.9	45	11.1	404
Total or average	737	53.7	635	46.3	1,372
ESTIMATES BY LOCAL PEOPLE OF ATTITUDE TOWARD COOPERATIVE MARKETING AND PURCHASING [b]					
Most hostile third	70	31.1	155	68.9	225
Middle third	128	56.1	100	43.9	228
Most favorable third	189	83.6	37	16.4	226
Total or average	387	57.0	292	43.0	679
ESTIMATES BY LOCAL PEOPLE OF ABILITY AS FARM OPERATOR [b]					
Least capable third	80	35.4	146	64.6	226
Middle third	130	57.3	97	42.7	227
Most capable third	177	78.3	49	21.7	226
Total or average	387	57.0	292	43.0	679

[a] Each figure in this column is considered as 100 per cent in computing the percentages in the other columns.

[b] Estimates by local people were obtained in 7 of the 14 counties in which farmers were interviewed. In terms of memberships in farmer-owned business organizations, these 7 counties were slightly above the average of the entire 14.

[4] MANNY, T. B., and SMITH, R. C. Op. cit., p. 22 ff.

[5] The men who served as enumerators were R. C. Smith, department of rural economics, Ohio State University; Robert E. Knedler, a graduate student at Ohio State University; and the author.

After completing an interview with a farmer, the enumerator answered three questions, thus giving his impressions of the person with whom he had been talking. One of these asked the enumerator to indicate what he felt was this farmer's membership potentiality for cooperative marketing and purchasing associations by underlining the most appropriate of the four descriptive terms appearing in this section of the table. The enumerator then wrote his reasons for this classification. Meeting practically every night, the three enumerators discussed their ratings so as to keep in close agreement on these classifications.

The farmers classed as unsuited for membership were men who indicated an extreme hostility to all forms of cooperation among farmers; few felt any sense of responsibility for their fellow farmers in economic or other matters. Those of this group who had tried cooperative marketing almost without exception had withdrawn because it interfered with their freedom to sell where, how, and when they chose. Many of the farmers classed as poor membership material seemed to the enumerators to be "fair-weather birds"—willing to accept all the advantages of cooperation but unwilling to shoulder their share of its risks, responsibilities, and sacrifices. They gave the impression that they were ever ready to jump out of the cooperative ship whenever a squall appeared on the horizon.

The men classed as fair membership material were mainly of the follower type. Most of them, with the development of a proper information service and other morale-building forces, will make dependable members. Those classified as excellent material seemed to the enumerators to be competent for places of at least local leadership. They were firm believers in the cooperative way of doing things and indicated a willingness to assume their full share of responsibility as loyal and active members.

Few really good prospective members were found in the area surveyed, as far as the business organizations are concerned. A few who belonged were of very dubious value to the organizations. There were a considerable number of poor-to-fair membership prospects in these areas. With more adequate local means of creating and maintaining favorable attitudes toward cooperation, most of these farmers would make acceptable members of the follower class. Their continued support appears dependent upon the adoption of more effective membership-relation policies than now characterize the work of many of the organizations included in this report.

The method employed in obtaining estimates from local people about the interviewed farmers has been explained at some length.[6] The agreement between the reports of local people, the enumerators' estimates, and the farmers' answers to questions is close enough to warrant considerable weight being placed upon the accuracy of all three methods of ascertaining farmer reactions to cooperative business undertakings. The local people's estimates of the farmers' abilities as producers were obtained before any mention was made of cooperative marketing relationships. It is well known that some very successful farmers, in terms of the way they manage production on their farms, may be opposed to cooperation in economic matters, and vice versa. But exceptions of this kind apply only to a small number of the interviewed farmers.

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[6] MANNY, T. B., and SMITH, R. C. Op. cit., p. 34 ff.

THE FARMER-OWNED BUSINESS ORGANIZATIONS SURVEYED

Table 3 gives the number of interviewed farmers who reported membership or nonmember-patronage experience with farmer-owned business organizations. The 93 operating units for which data were secured are grouped into 14 general types of activity. For some of the types, only one business unit was reported upon, for the most numerous type, local farmers' elevators and supply companies 34 separate units were included in the farmer replies.

In one sense, the local farmers' elevators and supply companies should be classed as a third subgroup under cooperative purchasing. On the other hand, in contrast with the local farm bureau and grange units which centered largely on cooperative purchasing, most of the local farmers' elevators and supply companies were also serving as major selling outlets for grain and sometimes for other farm produce

TABLE 3.—*Number of interviewed farmers and their relation to farmer-owned business organizations, classified according to type of activity* [1]

Type of activity	Number of farmers, related to the organizations as—				Number of different units reported by farmers [2]
	Members	Ex-members	Nonmember patrons	Total	
Cooperative purchasing:					
Under farm-bureau auspices	354	132	70	556	14
Under grange auspices	60	14	8	82	8
Local farmers' elevators and supply companies	189	21	67	277	34
Milk marketing:					
Bargaining type	135	27	(3)	162	8
Both bargaining and operating	50	6	(3)	56	1
Cream-shipping stations [4]	28	7	1	36	5
Creameries and cheese factories [5]	37	10	15	62	4
Mutual automobile insurance	271	12	(3)	283	1
Livestock shipping:					
Local shipping associations	158	63	56	277	11
Local associations operating concentration yards	80	29	19	128	2
Terminal selling agency	54	5	16	75	1
Wool-marketing pool	56	34	10	100	1
Tobacco-marketing pools [6]	----------	71	(3)	71	2
Poultry and egg marketing association	6	13	(3)	19	1
Total [7]	1,478	444	262	2,184	93

[1] Some of these organizations are not strictly cooperative as defined by Federal statutes, but all are predominantly farmer-owned and controlled.
[2] Some of the organizations have local operating units, in which case each local unit reported by the farmers is counted separately. For organizations without such local units, the organization is counted but once even though it might have been encountered in several counties.
[3] Patronage restricted to members exclusively.
[4] 2 of these also ship eggs and poultry occasionally. 2 are now defunct.
[5] 1 is now defunct and another has passed into private ownership.
[6] 1 is defunct and the other inoperative because an insufficient number of farmers signed new contracts upon expiration of those then in force.
[7] Many of the interviewed farmers reported for 2 or more business organizations.

Some of the organizations reported by the farmers were of the centralized type without local units. This applies to the wool-marketing pool, the mutual automobile insurance company, and some of the milk-marketing associations. The mutual automobile insurance company was reported by farmers in all of the 14 counties and most of the other centralized-type agencies were reported in several counties. On the other hand, in a single county, nine different local farmers' elevators and supply companies were reported, none of which were encountered in any other county. Farm bureau purchasing was found in all 14 counties but under different local set-ups.

Not all of the organizations were operating at the time of the survey but all had been doing business sometime between 1920 and 1930. Some were organized before 1920, others since that date.

LENGTH OF MEMBERSHIP

The length of time during which members and ex-members belonged to the organizations about which they were reporting is given in Table 4. There are some marked deviations. Thus, ex-members of the mutual automobile insurance company belonged, on the average, but 2 years, whereas ex-members of the creamery and cheese factory group belonged an average of 10.4 years. The high figure in the last-mentioned instance came about from the sale of one long-established Swiss cheese factory to the cheese maker. All members at the time of sale automatically became ex-members. Several of these stated that their own preference was for continued operation as a local cooperative. In one of the milk-marketing groups, 5-year "iron-clad" contracts held many farmers as members who would have withdrawn much sooner had they found a way of doing so without involving themselves in litigation. One of the tobacco pools ceased to operate before the 5-year contract period expired. Otherwise the ex-member average in this instance would have been somewhat higher.

On the whole, ex-members do not seem to have remained very long as members in these farmer-owned business organizations. Most indications point to their withdrawal as soon as possible after the first instance of dissatisfaction. Judging from personal reports by enumerators, the organizations suffered no great loss when some of these men withdrew. A number seemed to be of the type that continue to be sources of discontent and friction as long as they remain members. On the other hand, the organizations, in some instances at least, were reported by others who still belonged as having treated certain farmers more or less unfairly, thereby, in the minds of many, giving a real reason for withdrawal.

TABLE 4.—*Average length of membership in farmer-owned business organizations as reported by farmers interviewed*

Type of activity	Average length of membership for farmers who at time of interview were—		
	Members	Ex-members	Average
	Years	*Years*	*Years*
Cooperative purchasing:			
Under farm bureau auspices	7.6	4.2	6.6
Under grange auspices	10.6	4.7	9.4
Local farmers' elevators and supply companies	9.7	4.5	9.1
Milk marketing:			
Bargaining type	7.5	5.6	7.2
Both bargaining and operating	7.1	2.7	6.6
Cream-shipping stations	3.9	3.6	3.8
Creameries and cheese factories	8.2	10.4	8.7
Mutual automobile insurance	2.4	2.0	2.4
Livestock shipping:			
Local shipping associations	7.7	3.8	6.6
Local associations operating concentration yards	7.0	3.4	6.1
Terminal selling agency	5.0	3.2	4.8
Wool-marketing pool	7.9	2.8	6.0
Tobacco-marketing pools		4.2	[1] 4.2
Poultry and egg marketing association	5.5	2.8	3.7
Average	6.8	4.1	6.2

[1] Average is for ex-members only.

The relative age of the several types of business activity is indicated roughly in the average length of memberships reported by those who still belonged at the time of the survey. The number joining most of these organizations in recent years has been comparatively small. Whether this means that the services rendered have not been sufficiently distinctive to gain new adherents or whether it means that a large part of the desirable membership material is already on the rolls is hard to say. Numerous replies indicated that the new farmer-owned business forced the privately owned competitors to give all farmers substantially the same advantages as members of the farmers' own unit received and to give these advantages without the responsibilities of membership.

SATISFACTION WITH ACCOMPLISHMENTS

Tables 5 to 7 indicate the replies of farmers to questions about their satisfaction with the accomplishments of the organizations about which they were reporting. The percentage of satisfied farmers (Table 6) shows marked variations, ranging from 21.1 per cent for the poultry and egg marketing association to 94.3 for the mutual automobile insurance company. The average, 77.7, is probably about as high as could be expected from such a group. It should be pointed out that several individual units reported by the farmers (all listed as ex-members or nonmembers) had gone into bankruptcy, disbanded, passed into private ownership, or had otherwise ceased to function as farmer-owned concerns. Some of the persons reporting stated that they were dissatisfied because of the failure to continue operations as farmer-owned propositions, others were dissatisfied because the management and its policies had resulted in failures.

The fact that out of 2,184 answers to the question of whether the person being interviewed was satisfied, only 39 replied, "Do not know" (Table 5), indicates that practically all these farmers had rather well-defined ideas on the subject though they were by no means in agreement with each other for most of the organizations concerned.

TABLE 5.—*Replies of farmers to question, "Are you satisfied with the accomplishments of the farmer-owned business organization for which you are reporting?"*

Type of activity	Number of farmers reporting that they are—			Total
	Satisfied	Not satisfied	Do not know	
Cooperative purchasing:				
Under farm bureau auspices	416	127	13	556
Under grange auspices	70	11	1	82
Local farmers' elevators and supply companies [1]	234	40	3	277
Milk marketing:				
Bargaining type	111	47	4	162
Both bargaining and operating	49	7		56
Cream-shipping stations [1]	27	7	2	36
Creameries and cheese factories [1]	49	13		62
Mutual automobile insurance	267	11	5	283
Livestock shipping:				
Local shipping associations [1]	204	69	4	277
Local associations operating concentration yards	82	41	5	128
Terminal selling agency	70	5		75
Wool-marketing pool	69	29	2	100
Tobacco-marketing pools [1]	45	26		71
Poultry and egg marketing association	4	15		19
Total	1,697	448	39	2,184

[1] 1 or more organizations in this group were defunct or inoperative at the time the survey was made, or had been disbanded or taken over by private interests between 1920 and 1930.

TABLE 6.—*Percentage of interviewed farmers reporting that they were satisfied with the accomplishments of the farmer-owned business organizations, and their membership relation to these organizations, classified by type of activity*

Type of activity	Percentage of farmers satisfied, who at time of interview were [1]—			Average of all farmers interviewed
	Members	Ex-members	Nonmember patron	
	Per cent	*Per cent*	*Per cent*	*Per cent*
Cooperative purchasing:				
Under farm bureau auspices	87.6	46.2	64.3	74.8
Under grange auspices	91.7	64.3	75.0	85.4
Local farmers' elevators and supply companies [2]	89.4	33.3	86.6	84.5
Milk marketing:				
Bargaining type	75.6	33.3	----------	68.5
Both bargaining and operating	96.0	16.7	----------	87.5
Cream-shipping stations [2]	78.6	57.1	100.0	75.0
Creameries and cheese factories [2]	89.2	50.0	73.3	79.0
Mutual automobile insurance	96.7	41.7	----------	94.3
Livestock shipping:				
Local shipping associations [2]	85.4	57.1	58.9	73.6
Local associations operating concentration yards	75.0	31.0	68.4	64.1
Terminal selling agency	96.3	80.0	87.5	93.3
Wool-marketing pool	87.5	44.1	50.0	69.0
Tobacco-marketing pools [2]	----------	63.4	----------	[4] 63.4
Poultry and egg marketing association	66.7	0.0	----------	21.1
Average [3]	88.0	47.3	71.0	77.7

[1] Number interviewed (equal to 100 per cent) for each activity is shown in Table 2.
[2] 1 or more organizations in this group were defunct or inoperative at the time the survey was made, or had been disbanded or taken over by private interests between 1920 and 1930.
[3] Weighted average, using number of farmers interviewed.
[4] Ex-members only.

Classified by membership relations to these organizations (Table 6), it appears that members were, on the whole, well satisfied with what had been accomplished in the several lines of activity. In only 4 of the 14 general types of activity does the percentage of satisfied members fall below 80, and in 4 instances this percentage exceeds 90. Among the ex-members, on the average, less than half reported that they were satisfied. Nonmember patrons are in an intermediate position on this question of satisfaction with accomplishments, but on the whole they lean toward the member response.

Each farmer who stated that he was not satisfied with the accomplishments of the organizations for which he was reporting was asked to give his chief reason. These are summarized in Table 7. The reply which nearly half of the dissatisfied farmers gave is that in using the services of the organization they received no financial advantage over those that might have been obtained by dealing with private establishments. A somewhat similar reply, involving both financial and other advantages, stands out prominently in replies for three of the groups of business organizations.

Just how much financial or other advantage these dissatisfied farmers thought they had a right to expect can not be determined from their replies. The impression of the enumerators is that in some cases the farmers expected far too much when they joined or decided to patronize the farmer-owned organization. Overselling by promoters or by overzealous supporters has probably played a part in building up undue expectations.

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TABLE 7.—*Number of farmers reporting dissatisfaction with the accomplishments of the farmer-owned business organizations and reasons for dissatisfaction* [1]

Reason for dissatisfaction	Number of farmers reporting, by type of business activity														
	Cooperative purchasing conducted by—		Farmers' elevators and supply companies	Milk-marketing associations		Cream shipping stations	Creameries and cheese factories	Mutual automobile insurance association	Livestock-marketing associations			Wool pool	Tobacco pool	Poultry and egg marketing association	Total
	Farm bureau	Grange		Bargaining type	Bargaining and operating type				Local shipping association	With local concentration yard	Terminal selling agency				
No financial help to farmers	71	7	17	4	3	2	3	3	40	18	1	20	3	7	199
No help of any kind to farmers	----	----	----	13	----	1	3	----	10	10	3	5	1	----	46
Management unsatisfactory or dishonest with farmers	1	----	10	3	2	----	1	----	5	1	----	----	5	2	30
Poor quality of supplies handled	24	1	1	----	----	----	----	----	----	----	----	----	----	----	26
Excessive overhead costs	4	----	----	3	----	2	----	----	2	2	----	----	2	2	17
Poor service rendered farmers	9	1	1	1	----	----	----	2	1	----	----	----	----	----	15
Disloyal members and too few cooperators	3	----	----	1	1	----	----	----	1	----	----	----	4	----	10
Poor grading or low testing	----	----	----	5	----	2	----	----	1	----	----	1	----	1	10
Enterprise failed completely	----	----	2	----	----	----	4	----	----	----	----	----	----	3	9
Run to benefit officials only	----	1	----	2	----	----	----	----	----	1	----	----	5	----	9
Dishonesty and graft	2	----	----	----	----	----	----	----	----	6	----	----	----	----	8
Unsatisfactory handling of claim	----	----	----	----	----	----	----	6	----	----	1	----	----	----	7
Basic-surplus plan undesirable	----	----	----	6	----	----	1	----	----	----	----	----	----	----	7
Dealers in control	----	----	1	4	----	----	----	----	----	----	----	----	----	----	5
Not operating locally now	----	----	----	----	----	----	----	----	4	----	----	----	----	----	4
Helped nonmembers more than loyal members	----	----	----	----	----	----	----	----	----	----	----	----	4	----	4
Miscellaneous	7	----	6	4	1	----	1	----	1	2	----	2	2	----	26
Do not know	6	1	2	1	----	----	----	----	4	1	----	1	----	----	16
Total	127	11	40	47	7	7	13	11	69	41	5	29	26	15	448

[1] This question was asked only of farmers who said they were dissatisfied with results thus far. (Table 6.)

A few farmers alleged dishonest or unsatisfactory management as the cause for dissatisfaction. Some of these complaints may have been justified. On the other hand, there is warrant for questioning the validity of some of these replies when the evidence cited in support of alleged dishonesty or partiality was, in effect, that a neighbor's calf in the same shipment brought a little more money, that some other person got better coal from the agency at the same price charged the complainant, and so on. But, when a farmer has argued himself into the position of believing that dishonesty or partiality exists in the farmer-owned organization, it is difficult to shake this conclusion even though it has no foundation in fact. Numerous examples of such reasoning were encountered.

Poor quality of supplies furnished was a major cause of dissatisfaction in one of the cooperative purchasing groups. This trouble occurred chiefly in 1921 to 1923 when the organization experienced much difficulty in getting a good grade of fertilizer. With the development of this organization, resulting in increased buying power and more ability to purchase by definite grades and inspections, the quality has been higher and more uniform. Yet among the farmers interviewed, a number still held these early complaints against the organization as adequate reason for remaining aloof for years and several were still more or less suspicious of all of this organization's activities. Some of the farmers seemed prone to be much more critical of cooperative associations than of private dealers in problems of this kind; others did not make such distinctions.

MANAGERIAL EFFICIENCY

Each of the farmers was asked whether he believed that the management of each farmer-owned business organization about which he was reporting, was competent to do the necessary work; and if not, why not. The question was interpreted as applying to the management of the local operating unit closest to the farmer reporting. For cooperative purchasing under farm bureau or grange auspices, this meant the management of the county purchasing service rather than the management of the Ohio Farm Bureau Service Co. or the State purchasing agent of the grange. For the farmers' elevator and supply companies, it meant the management of the individual company, for all of these were independent local units. For the centralized type of organization, as illustrated by the milk-marketing associations, the mutual automobile insurance company, and the tobacco pools, there was only one management unit—that at the headquarters office; therefore, the question as applied to these organizations referred to this central management. It was realized that this would be a difficult question for many farmers to answer. To ascertain the degree of farmer confidence in the management rather than to secure factual evidence of the competency of any management, was the expected result.

TABLE 8.—*Number of farmers who replied to questions concerning the competency of the managements of farmer-owned business organizations*

Question and reply	Number of farmers reporting, by type of business activity														Total
	Cooperative purchasing conducted by—		Farmers' elevators and supply companies	Milk-marketing associations		Cream shipping stations	Creameries and cheese factories	Mutual automobile insurance association	Livestock-marketing associations			Wool pool	Tobacco pool	Poultry and egg marketing association	
	Farm bureau	Grange		Bargaining type	Bargaining and operating type				Local shipping association	With local concentration yard	Terminal selling agency				
Do you consider the management of the association competent? [1]															
Yes	440	67	252	110	54	27	50	265	218	85	71	76	51	6	1,772
No	34	5	17	30	1	4	8	1	25	24	----	8	17	7	181
Do not know	82	10	8	22	1	5	4	17	34	19	4	16	3	6	231
Total	556	82	277	162	56	36	62	283	277	128	75	100	71	19	2,184
If not, why not?															
Some incompetent men employed	5	1	5	5	----	----	4	----	6	8	----	1	4	2	41
Employees work for selves or others than farmer members	3	----	3	19	----	1	----	----	1	3	----	----	10	----	40
Dishonesty apparent	4	----	1	6	1	1	4	----	9	5	----	1	----	1	33
High overhead and other wastes	15	1	2	----	----	----	----	----	----	5	----	----	2	4	29
Farmers do not like the manager	1	----	----	----	----	----	----	----	----	2	----	2	----	----	5
Poor service rendered farmers	----	2	----	----	----	----	----	1	1	----	----	----	----	----	4
Lose too much money for farmers	----	----	1	----	----	----	----	----	2	----	----	----	----	----	3
Manager controls the directors	----	----	2	----	----	----	----	----	----	----	----	----	----	----	2
No financial advantage to users	----	----	----	----	----	1	----	----	----	----	----	1	----	----	2
Miscellaneous replies	1	----	1	----	----	----	----	----	2	----	----	1	----	----	5
Do not know	5	1	2	----	----	1	----	----	4	1	----	2	1	----	17
Total	34	5	17	30	1	4	8	1	25	24	----	8	17	7	181

[1] This question was interpreted to the farmers as applying to the management of the operating unit closest to them. For cooperative purchasing under farm bureau auspices or for the livestock-shipping associations, it meant the management of the county units; for the centralized form such as the wool or tobacco pools, it applied to the management of the centralized unit.

More than three-fourths of all the replies indicated a belief that the managements of these organizations were competent to do the work involved. Less than one-tenth of the farmers gave positive evidence to the contrary; the remainder were undecided. There are some pronounced differences in replies as between the various types of business activity represented.

More than two-thirds of the farmers who alleged managerial inefficiency gave as the most frequent reason for this charge, "Some incompetent men employed." This statement may imply that the management hired incompetent employees, or, in a few replies, it may be a more or less complete repetition of the question as given to the farmer. Several of these replies were qualified by the statement that the person or persons to whom it applied had failed in farming or in other business activity before assuming the position then occupied in the organization. In other instances, there was some evidence that the answer may have been motivated by personal differences with or complaints against the management and may not have involved any question as to the general ability of the personnel. The second most frequently mentioned reason, alleging that the managements worked for their own interests instead of for the farmers whom they were supposed to serve, was confined chiefly to two of the general types of business activity—the bargaining-type milk-marketing associations and the tobacco pools. In fact, this criticism was directed almost entirely against the management of one organization in each group.

From farmer replies it is especially difficult to get at the facts regarding managerial efficiency. Some of the farmer complaints were probably justified, but the extent to which this obtains can not be determined simply by interviews with farmers. Failure of the organization leaders to keep farmers properly informed as to the true condition of their business organizations and failure to teach the farmers concerning marketing methods, policies, and problems underlie part of the criticism. Some of it is but another evidence of the attitude among farmers which assumes that a farmer-owned business organization must never make a mistake, or if a mistake is made that it is due to incompetency or downright perversion on the part of the management.

GREATEST ACCOMPLISHMENTS

Financial advantage to the users is the greatest accomplishment of the farmer-owned business organizations according to farmer replies. (Table 9.) Over half of the replies emphasized this idea. For the organizations selling farm products this means that the persons reporting felt that through the farmer-owned agency better prices were obtained by the patrons, while for the purchasing organizations and the automobile insurance service the prices paid by farmers were lower than those charged by private competitors for similar commodities or services.

TABLE 9.—*Number of farmers reporting what they considered the greatest accomplishment of farmer-owned business organizations*

Greatest accomplishment	Number of farmers reporting, by type of business activity														
	Cooperative purchasing conducted by—			Milk-marketing associations					Livestock-marketing associations						
	Farm bureau	Grange	Farmers' elevators and supply companies	Bargaining type	Bargaining and operating type	Cream shipping stations	Creameries and cheese factories	Mutual automobile insurance association	Local shipping association	With local concentration yard	Terminal selling agency	Wool pool	Tobacco pool	Poultry and egg marketing association	Total
Financial advantage to users	293	55	147	35	24	17	33	236	133	40	45	40	32	5	1,135
Nothing accomplished	57	4	22	20	1	9	4	4	23	13	1	13	16	12	199
Competing private agencies give farmers better treatment	58	6	9	----	----	2	12	----	60	37	3	----	----	1	188
Better methods of marketing and/or merchandising	----	----	10	19	3	----	5	----	19	25	17	2	3	----	103
Stabilized prices for all	1	----	----	49	19	1	----	----	3	----	----	10	9	----	92
Better quality goods handled	54	5	4	----	----	----	----	----	----	----	----	----	----	----	63
Better service given to farmers	9	----	38	----	----	----	----	----	4	----	----	----	----	----	51
Better grades, weights, and tests	----	----	1	3	5	3	----	----	----	2	----	24	2	----	40
Farmers better protected	----	----	----	----	----	----	----	21	1	----	----	----	----	----	22
Educative value to farmers	1	1	1	1	----	1	----	----	4	----	----	1	1	1	12
Promoted farmer cooperation	3	----	3	----	1	----	1	----	----	1	----	----	----	----	9
Better way to meet the dealers	----	----	----	7	----	----	----	----	----	----	----	----	----	----	7
Better credit facilities	----	----	5	----	----	----	----	----	----	----	----	----	1	----	6
Caused nonmembers to get better prices than loyal members	----	----	----	----	----	----	----	----	----	----	----	----	4	----	4
Reduced the number of agencies	1	----	3	----	----	----	----	----	----	----	----	----	----	----	4
Bettered farm conditions generally	----	----	----	----	----	----	----	----	----	----	----	----	3	----	3
Miscellaneous replies	5	----	11	4	----	----	3	----	2	----	----	----	----	----	25
Do not know	74	11	23	24	3	3	4	22	28	10	9	10	----	----	221
Total	556	82	277	162	56	36	62	283	277	128	75	100	71	19	2,184

In response to this question, asking the interviewed farmers to name the greatest single accomplishment of the organization for which they were reporting, a number replied that nothing significant had been accomplished. Many of the "do not know" answers probably indicate a somewhat similar belief but with a less definite conviction. In total, however, these sets of replies together constitute but 20 per cent of all recorded answers.

One hundred and eighty-eight farmers reported that competing private agencies have been forced to give the farmers better treatment since the advent of farmer-owned business organizations. A few felt that the private agencies were giving the farmers better service or other substantial advantages than were the farmer-owned organizations, yet they felt that the presence of the latter agencies was essential in maintaining these advantages. The reply mentioning price stabilization is of similar type—the farmers are said to have benefited by the existence of the farmer-owned organizations whether they patronized it or not.

Cooperative purchasing seems to have made real progress in bettering the quality of goods sold to the farmers, according to these replies. Frequent reference was made to the development of "open-formula" feeds and fertilizers in support of this improvement. A corresponding type of answer for the dairy-products groups and the wool pool emphasizes the weighing, grading, and testing services of the farmer-owned organizations whereby each seller of farm products gets a return based on the grade, weight, and test of his product. Advantages of this kind are commonly acknowledged improvements credited

to a great many farmer-owned business organizations, more especially the cooperative associations.

In view of the fact that 80 per cent of the replies indicated definite accomplishments achieved by these farmer-owned organizations, it seems logical to assume that this large majority was closer to the actual state of progress made by the organizations than was the minority who replied "Nothing" or "Do not know." The feeling that farmers when dealing with their own business organizations are entitled to benefits at least equal to those obtained in transactions with agencies operated for private profit seems to be verified in the opinion of a very large majority of the interviewed farmers who have had first-hand experience in patronizing these agencies.

SUGGESTED CHANGES OR IMPROVEMENTS

More than 80 per cent of the replies to a question asking for suggestions as to changes or improvements in the organization or operation of the farmer-owned business organizations were to the effect that persons reporting either had no suggestions to offer or did not know what to suggest. (Table 10.) Moreover, the specific suggestions that were made as a rule applied to only a few of the general types of activity under which the organizations are classified. The range of ideas was wide, and many of the suggestions offered are of more or less questionable application. The data are given chiefly to indicate what was in the farmers' minds.

TABLE 10.—*Number of farmers suggesting what they felt was the most needed change or improvement in the organization and operation of the farmer-owned business organizations*

Suggested change or improvement	Number of farmers reporting, by type of business activity														
	Cooperative purchasing conducted by—		Farmers' elevators and supply companies	Milk-marketing associations		Cream shipping stations	Creameries and cheese factories	Mutual automobile insurance association	Livestock-marketing associations			Wool pool	Tobacco pool	Poultry and egg marketing association	Total
	Farm bureau	Grange		Bargaining type	Bargaining and operating type				Local shipping association	With local concentration yard	Terminal selling agency				
Reduce salaries and other costs	11	----	9	5	----	----	1	----	1	5	----	----	----	1	33
Provide a local warehouse	24	3	----	----	----	----	----	----	----	----	----	----	----	----	27
Put better leaders in charge	5	3	1	6	2	----	----	----	4	6	----	----	----	----	27
Get more farmers to join	14	1	----	2	2	----	----	----	----	----	1	----	5	----	25
Sell supplies on credit	20	1	1	1	----	----	----	----	----	----	----	----	----	----	23
Handle more variety of supplies	12	3	4	----	----	----	----	----	----	----	----	----	----	----	19
Do more to get higher prices	----	----	1	5	1	2	----	----	----	4	----	3	3	----	19
Reduce price on farmer purchases	16	2	----	----	----	----	----	1	----	----	----	----	----	----	19
Get this work started locally	----	----	----	1	----	1	1	----	11	----	----	----	2	----	16
Consolidate or cooperate with similar organizations	1	1	8	1	----	----	1	----	----	----	----	1	----	----	13
Advance more upon delivery	----	----	----	----	----	----	----	----	----	----	----	8	4	----	12
Give farmers better service	8	----	2	----	----	----	----	----	----	----	----	2	----	----	12
Handle better quality supplies	10	----	1	----	----	----	----	----	----	----	----	----	----	----	11
Remit sooner	----	----	----	----	3	----	----	2	1	4	1	----	----	----	11
Give members more information	1	1	1	1	2	----	----	----	1	2	1	----	----	----	10
Assemble and ship oftener	----	----	----	----	----	----	----	----	8	----	----	----	----	----	8
Grade, test, or weigh better	----	----	----	----	----	1	----	----	2	----	----	5	----	----	8
Run strictly as a cooperative	----	----	4	1	----	----	----	----	----	1	----	2	----	----	8
Abandon basic-surplus plan	----	----	----	7	----	----	----	----	----	----	----	----	----	----	7
Abandon direct-to-packer sales	----	----	----	----	----	----	----	----	----	7	----	----	----	----	7
Provide truck-route collections	----	----	----	1	----	1	----	----	5	----	----	----	----	----	7
Run strictly on a cash basis	----	----	4	----	----	----	----	----	----	----	----	----	----	----	4
Miscellaneous replies	7	----	6	12	1	----	1	7	9	7	2	1	3	----	56
No suggestion	262	40	166	70	33	19	37	208	131	63	49	48	22	7	1,155
Do not know what to suggest	165	27	69	49	12	12	21	65	104	29	21	30	32	11	647
Total	556	82	277	162	56	36	62	283	277	128	75	100	71	19	2,184

The most frequent suggestion was that salaries and other operating costs be reduced. In individual instances, it may well be that salaries and other operating costs could be reduced at no sacrifice to operating efficiency or permanent success of the business. On the other hand, those who know the workings of the average farmer's mind on these matters realize that many farmers believe that the wage to be paid to managers and other employees in important positions should be determined by the prevailing wages for farm hands in their locality. According to this type of thinking, no salaries should be paid that exceed the supposed profits of any of the local farmers. This is chiefly a problem of "farmer education". There may be times and places, however, where criticism of operating costs is justified.

Demand for local warehouses came entirely from counties where cooperative purchasing under the auspices of the general farmers' organizations was being operated through local purchasing agents. When pooled orders for feeds, fertilizers, or other supplies arrive under the purchasing-agent plan, it is usually necessary for the farmers to assemble at the freight car and unload the shipment quickly. This is sometimes inconvenient especially when the weather is bad or farm work is pressing, and does not afford the advantage of a stock of farm supplies always at hand. But the question of overhead costs becomes important when a warehouse or store is provided in order that goods be always available. Additional problems involving working capital, selling on credit, delivery service, and management also come to the front when warehouses are maintained. Many of the farmers who suggested a warehouse did not seem to consider these complications.

Several farmers reporting for cooperative purchasing under the farm bureau urged that this business extend more credit to the farmers. On the other hand, a few farmers reporting for local farmers' elevators and supply companies recommended that these units go over to a strictly cash business, largely because of the difficulty of controlling credit transactions among the members or owners of the business. A number of farmers' elevator and supply companies for which reports were secured had already failed because of too liberal extensions of credit.

Although some of the suggestions may have been based upon faulty assumptions, lack of information, or poor reasoning on the part of the farmers offering them, all seem to represent types of farmer thinking that have some bearing upon attitudes and membership relations of farmers toward the organizations concerned. All merit attention from the leaders within the several organizations as a basis of developing more effective educational services in the promotion of long-sustained farmer support.

CHIEF SOURCES OF INFORMATION

Each of the interviewed farmers was asked to name his chief source of information about the organizations for which he was reporting. Replies are given in Table 11. The most frequently reported source of information was local agents, or managers, or local headquarters of the organization. Paid employees were mentioned rather than directors. In each of the types of business activity except automobile insurance in which this reply figures most prominently, the

contact was with the office that also served as the headquarters of the organization, for all of these organizations were either local independents or were federated very loosely for some purposes. In cases of this kind, the farmer usually has a fairly direct access to the affairs of the organization if he wishes information in addition to that obtainable from any private business agency concerning prices, market conditions, and so on. For the mutual automobile insurance company, headquarters of which were at Columbus, Ohio, the contacts reported were with local salesmen of the organization. These salesmen may give excellent information about the policies written, protection afforded, and other details connected with the insurance business, but when it comes to information about the company itself (a mutual made up of the policyholders) these contacts with salesmen do not seem to have been very enlightening.

TABLE 11.—*Number of farmers who reported the chief sources of their information about farmer-owned business organizations*[1]

Source of information	Number of farmers reporting, by type of business activity														Total
	Cooperative purchasing conducted by—		Farmers' elevators and supply companies	Milk-marketing associations		Cream shipping stations	Creameries and cheese factories	Mutual automobile insurance association	Livestock-marketing associations			Wool pool	Tobacco pool	Poultry and egg marketing association	
	Farm bureau	Grange		Bargaining type	Bargaining and operating type				Local shipping association	With local concentration yard	Terminal selling agency				
Local agent or manager, or local headquarters	97	15	99	----	----	17	8	116	40	53	----	----	----	----	445
Receives no information	52	12	33	35	2	7	11	32	37	16	6	10	46	17	316
Farm Bureau News, Bureau Farmer	165	----	----	----	----	1	19	76	----	----	----	49	----	----	310
Meetings of the organization	----	----	93	32	19	5	14	----	20	8	11	8	15	----	228
House organ, news letter, etc.	----	----	16	72	18	3	----	4	[2] 58	[2] 29	16	----	5	1	222
County farm bureau officials and county farm bureau office [3]	105	----	----	----	----	----	4	----	72	----	----	----	----	1	182
Neighbors and local gossip	35	1	2	9	2	1	1	7	6	13	4	7	----	----	88
Farm bureau meetings	58	----	----	----	----	----	----	19	----	----	----	----	----	----	77
Officials and central office	----	3	----	6	15	----	----	13	----	----	20	11	----	----	68
Grange meetings	----	45	----	----	----	----	----	----	----	----	----	----	----	----	45
Newspapers and farm periodicals	2	----	----	----	----	----	1	----	18	1	3	----	----	----	25
Organization field men	----	----	1	3	----	----	1	----	1	----	3	7	----	----	16
Radio	----	----	----	----	----	----	----	----	----	1	12	----	----	----	13
Agricultural teacher	----	----	----	----	----	----	----	----	----	1	----	----	----	----	1
Do not know	42	6	30	5	----	2	3	16	25	6	----	8	5	----	148
Total	556	82	277	162	56	36	62	283	277	128	75	100	71	19	2,184

[1] Some farmers reported sources of information previously used while the organization was active.
[2] Some of these replies doubtless refer to farm bureau publications instead of commodity house organs, for the farm bureau publications served as a publicity channel for these associations.
[3] Usually this means some person other than the local agent or county service manager. In a few instances this may refer to State rather than county farm bureau officials.

About one-seventh of the interviewed farmers said that they did not get any information about the organizations for which they reported. A considerable number gave the practically equivalent answer, "Do not know." Some of these replies, but not all, referred to companies that were no longer operating, as in the case of the tobacco pools. But even for some organizations that were in full

swing at the time of the survey many farmers reported that they did not get any information or did not know where their information came from. Such a condition does not augur well for the future of such organizations.

The house organ of the Ohio Farm Bureau Federation, called the Farm Bureau News, has probably been the most important single publication for spreading information about most of the organizations included in this study. The business activities not included in the News were the cooperative purchasing work of the grange, the local farmers' elevators and supply companies, and some of the associations handling dairy products. In times past, practically all of the rest had space in the News, and some were still using it as one information-spreading device. On the other hand, many of these organizations were developing house organs or occasional news letters of their own.

Meetings of the organizations concerned or of some of the units, meetings of local farm bureaus or granges, served as the chief source of information for many farmers. In general, it appeared to the enumerators that the farmers who reported meetings as the chief source of information averaged among the best-informed concerning the work of their respective organizations. The only farmers better informed on the whole than this group were those who were officials of the organizations for which they reported or who had had many personal contacts with the officials (not employees). It is doubtless true that only the more interested and loyal farmers are likely to attend meetings of these business organizations, but it is also true that local meetings give opportunity for asking questions and bringing out points through discussion—advantages not possible in the case of house organs. At many different points in this survey, the value of local meetings as compared with other means of information spreading and morale building was very evident.

County farm bureau officials and the county offices of the farm bureau served as important information sources for those farmers reporting on the cooperative purchasing service of that organization and for the local livestock-shipping associations.

The difference between propaganda and a real information service to members was very apparent in the statements made by many farmers. Sales talk which presents the attractive side without stressing important membership obligations that may prove irksome; attempts to gloss over grave problems by relating past achievements; belittling of services and motives of agencies operated for private profit in order to cloak poor services and mistakes of the farmer-owned agencies; and frequent hesitancy to answer direct questions from farmers concerning management policies and actual conditions within these organizations, were forms of propaganda encountered too frequently during the field work of this survey. House organs and paid employees were the most frequent sources of questionable information, though members of boards of directors were quoted as attempting to becloud the facts in some instances. Even in meetings of members, a few cases were mentioned in which well-intentioned questions from the floor were treated sarcastically or in some other unsatisfactory way because of an alleged unwillingness to give accurate replies. Nothing was discovered in the survey which seemed to be more destructive of farmer confidence than were these and other

forms of propaganda. If farmers can not stand together in business enterprises when they are given complete knowledge of the work and problems of their organizations, it would appear useless to try to gain and hold their confidence by giving them only such fragments of information as the management (acting in the capacity of censors instead of serving as representatives of the members) chooses to release.

REASONS FOR WITHDRAWING FROM MEMBERSHIP

Each of the interviewed ex-members was asked to state why he withdrew from the farmer-owned business organization for which he reported. The answers appear in Table 12. It should be remembered that as some of the organizations disbanded prior to 1930, approximately 100 of the ex-member group automatically became ex-members through no act of their own (at least as far as withdrawal is concerned).

TABLE 12.—*Number of ex-members giving reasons for withdrawing from membership in farmer-owned business organizations*

Reason for withdrawing from membership	Number of farmers reporting, by type of business activity														Total
	Cooperative purchasing conducted by—		Farmers' elevators and supply companies	Milk-marketing associations		Cream shipping stations	Creameries and cheese factories	Mutual automobile insurance association	Livestock-marketing associations			Wool pool[3]	Tobacco pool[3]	Poultry and egg marketing association[3]	
	Farm bureau[1]	Grange[2]		Bargaining type	Bargaining and operating type				Local shipping association[1]	With local concentration yard[1]	Terminal selling agency				
No financial or other advantage in membership	27	3	2	8	2	1	----	4	16	17	1	17	1	2	101
Association now inactive locally	----	8	1	----	2	----	----	----	----	----	----	----	48	----	59
Withdrew from the farm bureau	40	----	----	----	----	----	----	----	17	----	1	----	----	----	58
Association a total failure and not now functioning	----	----	5	----	----	5	9	----	----	----	----	----	7	9	35
Ceased to produce or market this particular commodity	----	----	1	5	1	1	1	----	4	2	----	11	----	----	26
Cost too much to be a member	14	----	----	----	----	----	----	----	8	2	----	----	----	----	24
Dishonesty and graft	5	----	1	1	1	----	----	----	3	2	----	----	----	----	13
Inconvenient to use facilities	3	2	----	3	----	----	----	1	----	----	----	1	----	----	10
Moved to a new area	2	----	----	3	----	----	----	----	----	1	----	----	----	----	6
Needed money represented by shares of stock owned	----	----	4	----	----	----	----	----	----	----	----	----	----	----	4
Unfair adjustment of claims	----	----	----	----	----	----	----	4	----	----	----	----	----	----	4
Now shipping to another market	----	----	----	3	----	----	----	----	----	----	----	----	----	----	3
Poor quality of supplies	3	----	----	----	----	----	----	----	----	----	----	----	----	----	3
Basic-surplus plan unfair	----	----	----	2	----	----	----	----	----	----	----	----	----	----	2
Landlord opposed to association	----	----	----	----	----	----	----	----	----	2	----	----	----	----	2
Miscellaneous replies	8	----	2	2	----	----	----	1	3	1	----	2	----	----	19
Do not know	30	1	5	----	----	----	----	2	12	2	3	3	15	2	75
Total	132	14	21	27	6	7	10	12	63	29	5	34	71	13	444

[1] Membership in one or more organizations grouped under this type of business activity required membership in the farm bureau at some period and this was still required in a few instances at the time survey was made.
[2] Membership is made up solely of grange members.
[3] These organizations, while not requiring all members to join the farm bureau, formerly charged nonmembers of the farm bureau an added service fee. For persons having any considerable volume to market it was probably cheaper to join the farm bureau than to pay this fee.

Failure to receive direct financial benefits or other advantages was given by 101 ex-members as a reason for withdrawal. But it is recalled that 1,135 farmers gave as the greatest accomplishment of

these organizations, the fact that the users did receive some direct financial benefits (Table 8), and many more mentioned other tangible benefits. Apparently this ex-member experience was different from the experience of the large majority of farmers who were interviewed.

The reply, "Withdrew from the farm bureau," refers to instances in which farm-bureau membership was required for membership in the farmer-owned business organization reported by the farmer. The answer "Cost too much to be a member" occurred only for organizations where this same membership tie-up existed, hence doubtless indicates substantially the same type of farmer-thinking. Attempts to measure the value of farm bureau dues solely upon the basis of direct savings through patronizing its commercial services seem to have been responsible for a number of these withdrawals, and for the development of some hostility toward this general farmers' organization. But with increased tendency to separate the commodity groups from the general organization and have each stand upon its own membership, the problem indicated in these replies is of decreasing importance.

Changes in types of farming involving the elimination of one or more products handled by the organization, moving (in most instances entirely outside the area served by the organization), and shipping to new markets, accounted for several withdrawals, few giving this type of answer expressed marked dissatisfaction with the organization. Their problems were of a different nature. Of the remaining scattered reasons for withdrawals, some appeared to be valid, others more or less dubious.

REASONS FOR NOT BECOMING MEMBERS

The nonmember-patrons' reasons for failing to join the farmer-owned business organizations whose services and facilities they reported using are given in Table 13. No nonmember patrons were interviewed in the case of several types of business activity. Most of these organizations were thoroughgoing cooperatives that did not accept patronage from nonmembers.

TABLE 13.—*Number of nonmember patrons giving reasons for failing to join farmer-owned business organizations*

Reason for not joining	Number of farmers reporting, by type of business activity									Total
	Cooperative purchasing conducted by—		Farmers' elevators and supply companies	Cream shipping stations	Creameries and cheese factories	Livestock-marketing associations			Wool pool	
	Farm bureau [1]	Grange [2]				Local shipping association [1]	With local concentration yard [1]	Terminal selling agency		
No financial or other advantage in membership	13	1	3	------	1	13	1	2	1	35
Costs too much to join	3	------	16	------	1	6	2	1	------	29
Never joined farm bureau or grange	17	3	------	------	------	7	------	------	------	27
Volume too small to warrant joining	3	1	9	------	3	------	2	2	2	22
Does not have to join to use it	------	------	7	------	------	1	2	5	------	15
Never given opportunity to join	------	------	8	------	------	------	1	1	2	12
Too many failures in this field	------	------	6	------	1	1	------	------	1	9
Never desired membership	------	------	3	------	------	2	------	------	------	5
Renter	------	------	1	------	1	2	------	------	------	4
No unit active locally now	3	------	------	------	------	------	------	------	------	3
Expects to join soon	1	------	------	------	1	1	------	------	------	3
Inconvenient delivery point	1	------	------	------	1	------	------	------	------	2
Association not run right	------	------	------	------	------	1	1	------	------	2
Does not believe in cooperation	------	------	------	------	------	1	1	------	------	2
Not satisfied with results so far	------	------	------	------	------	1	1	------	------	2
Miscellaneous replies	5	------	4	------	------	1	1	1	2	14
Do not know	24	3	10	1	6	19	7	4	2	76
Total	70	8	67	1	15	56	19	16	10	262

[1] Membership in one or more organizations grouped under this type of business activity required membership in farm bureau at some period, and this was still required in a few instances at time survey was made.
[2] Membership is made up solely of grange members.

The chief reason given was that membership brought no financial or other advantages. Since this answer was most frequent in those types of business activity that at least formerly required farm bureau memberships as one condition of belonging to the commodity group, this response doubtless represents another attempt to charge all of the cost of farm bureau dues against whatever differentials have been allowed to members as distinguished from nonmember-patrons of the organizations concerned. For farmers whose annual volume of patronage is small, their argument in favor of continuing as nonmember-patrons may be sound; but majority opinion among the members of nearly all of these organizations does not substantiate this argument of nonmembers.

The reply, "costs too much to join," applies mainly to the local farmers' elevators and supply companies, most of which were stock companies involving investments of $10 to $100 per share of stock to become members. Since many of these companies were not making patronage refunds to members, in the minds of these farmers the only reason for joining was for purposes of investment. For farm-bureau purchasing and for the local livestock-shipping associations, this answer refers once more to the problem of farm bureau membership dues. For some of the farmers who replied they had never joined farm bureau or grange, the cost of membership doubtless

played a part. Insufficient volume of business to warrant joining was mentioned by a few farmers.

Opportunity to use the services of these organizations without joining was given chiefly as applying to the local farmers' elevators and supply companies and to the terminal market livestock-selling agency. Those who said that they had never been given an opportunity to join referred chiefly to the elevators and supply companies. The remaining scattered replies frequently indicate excuses rather than reasons.

CONCLUSIONS

Based upon the evidence obtained through personal interviews with individual farmers and upon the estimates of enumerators and of local people concerning the farmers who answered the questions, the following conclusions seem to be in order.

Membership in farmer-owned business organizations is distinctly selective in its appeal to farmers. Better-than-average schooling, operation of farms of 100 acres or more, more frequent memberships in social and civic clubs and in church societies, and more-than-average ability as producers, characterize the members of such economic organizations as compared with farmers who do not belong.

Prospective members for these organizations are not such desirable membership material as are typical present members. This is a corollary of the first proposition. For practically all these organizations any considerable increase in membership, at least in the areas surveyed, is almost certain to augment the problem of securing and maintaining membership loyalty by considerably more than the proportional gain in membership.

A little more than 1 in 10 of the interviewed farmers appeared to be totally unsuited for membership in organizations involving any considerable amount of cooperative behavior. This proportion will probably hold approximately the same elsewhere. Few of this group were found on the membership rosters of such organizations included in this survey. The discipline of conduct and the viewpoint on life that are fundamental to effective cooperation are almost wholly lacking among these men. Local people rating the same farmers by their indicated attitudes toward cooperative buying and selling expressed similar convictions for a very high proportion of these cases.

Among the members of those farmer-owned business organizations that were still functioning actively at the time of the survey a large majority seemed to be well satisfied with what the organizations were accomplishing. The ranks of the dissatisfied were made up chiefly of ex-members, with some nonmember patrons. This seems to be a rather characteristic response.

The organizations that were using delivery contracts with enforceable penalty clauses attached, do not seem to have done as much as they might in informing the members about certain details of their functioning, apparently assuming that the contract would insure desirable membership responses without such effort. In general, the members of organizations in which patronage depended upon loyalty rather than upon enforceable contracts, were better informed about the work of their organizations, and were more sympathetic toward the problems of marketing and purchasing that were involved.

The information services of many of the organizations reported by the farmers do not seem adequate. As a general proposition, the

more remote was the chief headquarters from the average of interviewed farmers, the less effectively did the information service of that organization seem to reach these farmers. Too much of the printed material seems to have been "sales" propaganda; too little of it written from the viewpoint of securing an enlightened and loyal membership. Personal contacts between management and membership were far too few in all but the purely local independent units studied. Meetings for the purpose of making such contacts and of giving farmers an opportunity to ask questions of the management as well as hearing reports, appear to have been exceptionally effective means of improving membership morale, but were too little used.

The Ohio Farm Bureau Federation has played a major part in the promotion, development, supervision, and in some instances actual management, of many farmer-owned business organizations. The various channels of information spreading developed by this general farmers' organization, especially its local meetings, have been effective in promoting many cooperative activities among the farmers. These channels have also been important means of distributing information about many additional farmer-owned business organizations, not strictly cooperative.

From the farmers' reports, it appears that a membership tie-up between a general farmers' organization and various commodity groups requiring members of the latter to join the former does not give permanent support to the general farmers' organization; instead it seems to introduce some very difficult problems for that organization and for the cooperatives to solve. The tendency of the farmers affected by such a membership tie-up is to measure the worth of the general organization solely in terms of direct visible financial advantages obtained personally through the commodity groups. If there are no such gains, or if the savings do not equal the membership dues of the general organization in any year, many farmers assume at once that the general organization is a failure and membership in it a waste of money. These farmers overlook any other helps and advantages that the general farmers' organization may bring to them individually, regardless of what the results of the commodity groups may be. For many farmers it is only with the greatest difficulty that the confused thinking caused by these membership tie-ups can be straightened out. On the basis of this evidence, it seems that a general farmers' organization will serve its own long-time interests to best advantage by refraining from membership tie-ups with the commodity groups and from entering directly into very many commercial activities. Then the results of serving the farmers in such important matters as securing desirable legislation, effecting a more equitable distribution of tax burdens, aiding in making local government more economical, efficient, and effective, promoting farmer cooperation in production and management problems as well as in commercial matters, cooperating with the extension forces, and serving as a medium of information spreading and opinion molding on all matters affecting rural people, will stand out more clearly before the farmers and will tend to win their increased support.

Interviewed farmers and others like them, who are permitting personalities or rather trivial alleged mistakes of the past to stand between them and membership will do well to give a little more thought to their present position. The fact that so considerable a

proportion of those farmers, locally designated as the most progressive in their production practices, were members, should have weight in offsetting some of the reported reasons for withdrawals and failures to join.

Directors, managements, and employees of farmer-owned business organizations will devote more time and effort in contacting with farmers, both members and others, when these leaders realize that membership loyalty and opinion can make or break the organization just as readily as the business policies and the day-to-day conduct of its activities. To the essentials for success in traditional commercial ventures, in farmer-owned cooperative business organizations, must be added another set of factors that condition success or failure. These consist of the attitudes, opinions, and behavior of the members upon whose continued patronage and good will such organizations must rely as their chief sources of trade in building up and maintaining an efficient volume of business.

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